

Teacher Compensation Assistance Program (TCAP) Advisory Council

Summer 2008

Introduction

The 2008 South Dakota Legislature passed Senate Bill 87, which included the following directive.

There is hereby established the Teacher Compensation Assistance Program Advisory Council. The council shall be under the supervision of the Department of Education. The speaker of the House of Representatives shall appoint three members of the House of Representatives to the council, including at least one member from each political party, and the president pro tempore of the Senate shall appoint three members of the Senate to the council, including at least one member from each political party. The governor shall appoint the remaining members of the council, including at least one teacher, one school administrator, and one representative of a statewide education organization.

The council shall examine how teacher quality and teacher salaries in the state can be enhanced, and how the funds appropriated in fiscal year 2010 and in subsequent fiscal years by the state for the teacher compensation assistance program established in §13-3-73 can best be utilized to assist in that effort. The council shall consider a variety of issues surrounding teachers including market compensation, a tiered licensure system, a system for evaluating teachers, mentoring and induction programs for teachers, and continuing contracts for teachers.

The council shall complete its work and the secretary of education shall provide its recommendations to the Governor and to the Executive Board of the Legislative Research Council no later than November 15, 2008.

Under the leadership of Dr. Melody Schopp from the South Dakota Department of Education, the TCAP Advisory Council met five times during the summer of 2008. The Council met on May 28, July 7, July 8, August 5, and August 6. Individual members of the Council were appointed by the Speaker of the House of Representatives, the President Pro Tempe of the Senate, and the Governor of South Dakota. John Swanson from Technology and Innovation in Education facilitated the TCAP Advisory Council meetings. Sarah Anderson and Andrew Johnson, South Dakota college students majoring in education, served as summer interns for the South Dakota Department of Education and assisted with the organization and communication involved in the work.

This report includes the Council's recommendations to the Governor and to the Executive Council of the Legislative Research Council about enhancing teacher salaries and teacher quality in South Dakota. Additional feedback is also offered by the Council about certain issues surrounding the state's teachers.

TCAP Advisory Council Members

Legislators

- Senator Kenneth Albers
- Senator Tom Hansen
- Representative Phyllis Heineman
- Senator Sandy Jerstad
- Representative Larry Lucas
- Representative Ed McLaughlin

Teachers

- Sharon Andrews, Sioux Falls
- Sherry Crofut, Rapid City
- Joseph Harrison, Rapid City
- Luann Lindskov, Timber Lake
- Jeff Lukens, Sioux Falls
- Lisa McNeely, Redfield

Superintendents

- Joe Graves, Mitchell
- Lesli Hanson, Watertown
- Pam Homan, Sioux Falls,
- Dennis Rieckman, Wall

Associated School Boards

- Duane Alm, Aberdeen

Educational Cooperatives / Education Service Agencies

- Dan Guericke, Mid-Central Educational Cooperative / ESA 3

South Dakota Education Association

- Bryce Healy, Executive Director

Higher Education

- Tom Hawley, Northern State University

Recommendation I

Increase the annual per pupil state aid allocation to 4% or inflation, whichever is greater, but the increase shall not exceed the overall percent increase in state general fund revenue.

The Council believed the primary question of the study, how teacher quality and teacher salaries in the state can be enhanced, represented the most important challenge they needed to address. Ideas generated around this central question focused on raising the state aid allocation to schools, using differential pay systems, and maintaining the TCAP program. Recommendation I emerged from the decision making process with strong support from the Council. It was determined by a vote in which 13 members voted in favor and one member voted against.

A shared concern of the group about teacher salaries and teacher quality involved the need to be competitive with other teachers in the country, especially those in neighboring states. The average teacher salary in South Dakota has ranked at the bottom in the nation for over 25 years and in 50th or 51st place for the last 15 years. Table I. shows the current level of financial competition for teachers from neighboring states. Although some anecdotal evidence exists, more comprehensive data is lacking to document the impacts of this competition on recruiting and retaining teachers in South Dakota. A school district survey is currently being developed by the South Dakota Department of Education to collect information on the issue.

Table I: Average Salaries of Neighboring States 2005-2006		
(Source: South Dakota Department of Education)		
State	Average Beginning Salary	Average Salary
South Dakota	\$25,117	\$34,709
North Dakota	\$24,035	\$37,773
Montana	\$26,121	\$39,382
Nebraska	\$25,328	\$41,026
Wyoming	\$28,907	\$43,255
Minnesota	\$29,907	\$48,489

An equally important concern was the need to maintain a competitive rank for teachers among other sectors of South Dakota's workforce. As shown in Table II, the average salary increase of public school teachers has lagged behind salary increases for all other groups of workers in for over a decade.

Table II. Average Salary Increases for South Dakota Workers			
(Sources: SD Department of Education Statistical Digest and the SD Labor Market Information Website)			
OCCUPATIONS / INDUSTRIES	1990-1995	1995-2005	2005-2007
Professional / Scientific / Technical	3.7%	4.7%	6.7%
Private Workforce	4.0%	4.1%	5.1%
Finance / Insurance	4.4%	4.3%	4.3%
Manufacturing	3.6%	4.1%	3.9%
State Government	5.4%	3.4%	4.0%
Healthcare / Social Assistance	4.8%	4.2%	4.0%
Public School Teachers	4.1%	2.7%	2.0%

Table III. illustrates how salaries of public school teachers in South Dakota continue to lose ground with salaries of other workers in South Dakota. If the rate of increase for the last ten years continues for another ten, South Dakota' teachers will obviously fall still further behind. The Council expressed a sense of urgency for stopping this trend as a first step in enhancing teacher salaries in the state.

Table III. Average Salaries for South Dakota Workers			
(Sources: SD Department of Education Statistical Digest and the SD Labor Market Information Website)			
Occupation / Industry	1995	2005	2015 *Projected
Professional / Scientific / Technical	\$24,156	\$38,187	\$60,282
Private Workforce	\$19,244	\$28,656	\$42,668
Finance / Insurance	\$25,621	\$39,012	\$59,370

Manufacturing	\$23,067	\$34,393	\$51,275
State Government	25,562	\$35,676	\$49,842
Healthcare / Social Assistance	22,512	\$33,951	\$51,186
Public School Teachers	26,037	\$34,039	\$44,576

***Projected: 2015 salaries for each group based on the continuation of the average increase in pay from 1995 to 2005.**

The Council expressed the belief that enhancing teacher salaries and teacher quality must be a priority in South Dakota. Additional state aid is needed to help districts offer competitive teacher salaries at a time when they are also challenged with increasing operating expenses related to energy, transportation, supplies and insurance. An increased share of the state budget needs to be prioritized for K-12 education in order to maintain high quality teaching and learning in South Dakota's schools.

A significant part of the discussion leading to Recommendation I involved a search for potential funding sources to pay for the increase in state aid. A variety of sources were identified but the most interest was focused on learning more about the Educational Enhancement Trust Fund. Representatives of the South Dakota Investment Council shared information with the Council about the laws, policies, and projections involved in managing the Education Enhancement Trust Fund. Ultimately, support was lacking for recommending its use to sustain long term increases in teacher salaries.

Recommendation I was seen as a reasonable first step for enhancing teacher salaries and teacher quality in the state. The responses of individual Council members about rationale for it can be found in APPENDIX A.

Recommendation II

Continue TCAP (Teacher Compensation Assistance Program) with the following revisions:

- **Allow reimbursement of tuition and fees to non-certified staff who are working toward teacher certification.**
- **TCAP should support the district's school improvement plan.**
- **Allow districts to equally distribute the funds based on meeting or obtaining the district goal.**

The Teacher Compensation Assistance Program was established by law in South Dakota in 2007. The purpose of the program is to “assist school districts with teacher compensation”. School districts submit applications for funds which must “focus on meeting district goals, focus on a plan to enhance teacher compensation through market compensation strategies, or both”.

The current budget for the program is 4.1 million dollars from which districts may acquire \$22 per student if they match it with another \$4 per student from district funds. As part of the law which created it, the TCAP program is scheduled for an evaluative review in 2012. Almost half the school districts currently receiving TCAP funds have multi-year plans approved by the state through 2010-2011.

After reviewing current uses of TCAP funds, survey information from district superintendents, and the program's administrative rules, the Council determined that the program should be continued at the same funding level and with some revisions to its administration rules.

The Council decided that non-certified staff should be eligible to receive compensation assistance through TCAP if they are actively working toward certification. Reimbursement of tuition and fees included in their teacher certification programs was seen as an investment in future teachers who already work within the schools of South Dakota.

This change in the administrative rules for TCAP represents both a recruitment and a retention strategy to support teacher quality in the state. The Council reached consensus on this recommendation, defined as when every person in the group could say “I believe this the best decision we can arrive at for the state at this time, and I will support its implementation.”

Consensus was also reached on the second revision which states that the Teacher Compensation Assistance Program within districts should support their overall school improvement plan. Although TCAP applications and school improvement plans are required separately by the state, the Council believed it is important that

the applications are designed and thought of as interdependent efforts to improve student performance. This administrative change may require changes to the TCAP application process or a consolidation of application and reporting processes required by the state.

As part of the current program guidelines for TCAP, districts are not allowed to use the funds to “equally divide compensation to all teachers in the salary schedule”. The Council’s recommendation to “allow districts to equally distribute the funds based on meeting or obtaining the district goal” does not change the existing rule. It is seen as another way to promote and reward the attainment of school goals by offering an equal bonus to all teachers involved.

This revision represents another strategy for schools to use at the building or district level to build unity and commitment to clear goals for improving student performance. The Council support for this revision was strong, although not unanimous. Twelve members voted in favor and one voted against.

The Council believes these recommended revisions to the rules of the TCAP Program will improve an already strong program by offering more options to school districts and encouraging innovation in the use of funds. The responses of individual Council members about rationale for Recommendation II can be found in APPENDIX A.

Feedback

The law which created the TCAP Advisory Council directed it to “consider a variety of issues surrounding teachers including: market compensation, tiered licensure, an evaluation system for teachers, mentoring and induction programs for teachers, and continuing contracts for teachers”. The issue studied the most was market compensation while less time and attention was given to the other issues.

Market Compensation

Market Compensation is defined as “a program based on market driven needs to recruit and retain teachers to hard to staff positions” as part of the administrative rules of the TCAP program. An exploration of current uses of TCAP funds throughout the state showed a variety of market based strategies in use to attract and keep teachers. Signing bonuses, retention bonuses, tuition reimbursement, are many of the most prevalent ways TCAP funds are being used as market compensation.

Council discussions about market compensation sparked questions about the need to define the market as exclusive to a certain need or program as opposed to viewing it as more general competitiveness by increasing the salary of all teachers. The problem of teacher shortages was discussed as were issues involved with paying some teachers more than others. The use of differential pay systems is present in South Dakota through the TCAP program and other grant initiatives. School districts currently have the capacity to implement differential pay systems and some do through local negotiations with their teachers. Support fell short, however, for recommending an increase in TCAP funds for the expansion of market based compensation strategies.

Tiered Licensure

Information about a multi-tiered licensure system for teachers in South Dakota was examined and discussed. The system would be different from the current classification system for teachers and would involve both additional requirements and additional support for earning different levels of licensure. Council members were asked for feedback about the concept in the form of the following three options. **Their responses show strong support for maintaining the state's current system of teacher licensure.**

- 1 Establish a tiered licensure system for teachers in South Dakota by July 1, 2010.
- 9 Maintain the current system of teacher licensure in South Dakota.
- 4 Warrants continued study.

An Evaluation System for Teachers

Currently, there are no state standards for teacher evaluation, as the former statute regarding teacher evaluation requirements has been repealed. Local districts are responsible for their individual policies and practices for teacher evaluation. The Council reviewed information about the purpose, criteria, and benefits of effective teacher evaluation. **Their feedback listed below supports the status quo in relation to teacher evaluation standards and practices in South Dakota.**

- 6 Establish standards for teacher evaluation at the state level by July 1, 2010.
- 4 Maintain the current situation in which each district is responsible for teacher evaluation standards.
- 5 Warrants continued study.

Mentoring and Induction Programs for Teachers

Mentoring and induction programs are already in use in South Dakota as part of local district efforts and as part of state grant programs. Programs are often funded with grant monies and no sustainable program at the state level currently exists. Information about the practices and benefits of mentoring and induction was reviewed and discussed. The Council offered the following feedback about the idea of a state sponsored programs of mentoring and induction of teachers. **Their responses indicate support for continuing to study the possibilities of state sponsored programs for mentoring and induction of teachers.**

4 Establish and provide funding for state sponsored mentoring and induction programs for teachers by July 1, 2010.

5 Maintain the current, voluntary system of mentoring programs in SD schools.

5 Warrants continued study.

Continuing Contracts for Teachers

The South Dakota laws which govern continuing contract status for teachers were examined. Currently, teachers in South Dakota gain continuing contract rights after their third year of teaching, upon their fourth consecutive term of employment. Council members discussed the issue and offered the feedback listed below. **Their responses indicate support for continuing to study a potential change which would establish continuing contract status for teachers upon their sixth consecutive term of employment rather than the fourth consecutive term.**

2 Establish continuing contract status for teachers based upon demonstrated competency.

3 Maintain the current law which establishes continuing contract status for teachers upon the fourth consecutive term of employment.

4 Warrants continued study.

****5** Change to continuing contract status for teachers upon the 6th consecutive term of employment.

**** Note:** This was not originally offered as one of the options for feedback but five Council members wrote it in as the preferred choice.

PROCESS

The Council used a set of norms, or ground rules, to work together most effectively. An emphasis on the use of dialogue encouraged collaboration and constructive conflict in approaching the work. Council members generated individual questions to guide the study and offered individual ideas and information for collective consideration. Through small group and large group discussions, they were challenged to develop shared understandings of the problems and find common ground for addressing them. Significant energy was invested in striving for consensus on the resulting recommendations.

APPENDIX B contains a listing of the information reviewed by the Council. In addition to reading policy and research briefs, the Council examined data, listened to presentations, and offered continuous questions. The process offered opportunities for Council members to pursue a balance of both inquiry and advocacy. A website was maintained by the South Dakota Department of Education to provide information about the meetings and the issues. A listing of attendance for Council meetings is included in APPENDIX C.

CONCLUSION

The TCAP Advisory Council consisted of a diverse group of professionals with varying perspectives about teacher salaries and teacher quality in South Dakota. They shared a sincere and common desire to offer recommendations which will help the state address this public issue in a positive and productive way. The reasonableness of the recommendations offered was seen as a critical factor in the strong support they received from the Council. The Council is optimistic that South Dakota's policymakers will receive its work with the same unifying value.

Appendices

APPENDIX A: Individual Responses about Rationale for Recommendations

Increase the annual per pupil state aid allocation to 4% or inflation, whichever is greater, but the increase shall not exceed the overall percent increase in state general fund revenue.

- Percentage of state dollars went from 39% to 31% for education
- State aid increases to school has to cover cost with transportation, supplies etc- not just salaries as does a 3% increase to state workers does.
- This is a Start to help move teacher salaries from the bottom in the nation.
- We have ranked last in the nation for teacher salaries. Regionally speaking we rank last in average teacher salaries.
- 4% increase in the state aid formula is reasonable.
- Increase is needed to meet educational needs of districts and to meet inflation each year.
- South Dakota teacher average salaries have been consistently falling behind those in the private sector.
- State aid to education grew at 3.1% for 08-09 year while state government grew 6.1%
- I believe that this is a recommendation that could be achievable.
- We need to do this to try and keep our salaries competitive with the rest of the workforce.
- Our education salaries have not kept up with the rest of the workforce.
- Education has declined from 39-31% in state's budget.
- Constitutionally it is the state's responsibility to take care of educating our children. The priorities of the state need to be put in the right order. There are too many 'needs' in the state that either need prioritizing or more revenue will need to be generated in the state.
- K-12 education is currently losing ground due to the present funding formula.
 - Implementation: use existing funds effectively, and seek other non-tax funding sources.
- Provide the money- constitutional amendment to require money from the educational enhancement fund to pay for increase to 4% in the formula.
- SD cannot continue to be at the bottom of the pack in teacher's salaries. Spending for education had been cut from 39-31%. It is imperative that we raise SD teacher salaries to be competitive with the surrounding states.
- This is a matter of priorities. We are asking to receive a conservative increase to stop the erosion, improve salaries, maintain quality and educate the children in the state.
- Dr. Homan's idea
- I am disappointed that there weren't more innovative ideas. There will always be a discussion of dollars but with the experience in the room, some recommendation to modify the current system would have been appreciated & helpful to the secretary and the legislature.

Continue TCAP (Teacher Compensation Assistance Program) with the following revisions:

- **Allow reimbursement of tuition and fees to non-certified staff who are working toward teacher certification.**
- **TCAP should support the district's school improvement plan.**
- **Allow districts to equally distribute the funds based on meeting or obtaining the district goal.**
 - Allows for more flexibility in distribution funds.
 - Allowing districts to use TCAP funds for all teachers as it relates to district goals is an important improvement in enhancing teacher salaries as well as impacting student achievement.
 - Making funds available to non-certified staff can assist in recruiting teachers for the future while helping to insure quality.
 - These need to be added to the rules 24:54:01 for inclusion in our report.
 - Recruitment to the profession to 'compensate' future teachers. We can currently use TCAP to recruit and market compensate certified teachers to the profession. We should be able to recruit and compensate non-certified working towards certification.
 - School improvement plan/District goals should be tied together.
 - If improvement plan and district goals are to meet AYP or raise reading 5% then we could pay building staff teaching areas, etc. (or the entire district) for meeting the goals and school improvement plan goals. This is different from just "adding this to the salary schedule."
 - TCAP funds need to have accountability in their use and they need to serve districts varying needs.
 - Implementation: continue to use the application process, making certain the app directly relates to districts school improvement plan.
 - Concerned that if #3 is allowed some districts may take the easy way out to just add equal amount to every teacher
 - This would help administrators to fill hard-to-fill positions.
 - This is a clarification on how funds can be used.
 - This would allow administrators to distribute funds to anyone as a 'bonus' if district goals are met.
 - Clearly communicate that TCAP can be used for differential pay as written without revision.
 - TCAP money or increase to TCAP money should be in excess of the above stated "4% or inflation..." recommendation.
 - Make it more workable.
 - The third recommended revision will be a critical component. The district goal will have to be clearly defined and tied to district school plan.

APPENDIX B: Information Studied by the TCAP Advisory Council

Readings

- American Association of State Colleges and Universities (2006). *Teacher induction programs: Trends and opportunities*. Retrieved July 29, 2008 from http://www.aascu.org/policy_matters/pdf/v3n10.pdf
- American Association of State Colleges and Universities (2005). *The facts and fictions about teacher shortages*. Retrieved May 16, 2008 from http://www.aascu.org/policy_matters/pdf/v2n5.pdf
- Center for the Study of Teaching and Policy and the Consortium for Policy Research in education (2003). *Is there really a teacher shortage?* Retrieved May 16, 2008 from <http://depts.washington.edu/ctpmail/PDFs/Shortage-RI-09-2003.pdf>
- Education Commission of the States (2003). *Multi-tiered, performance- based Licensure*. Retrieved July 29, 2008 from <http://www.ecs.org/clearinghouse/51/22/5122.htm>.
- Education Week (2008). *Quality counts*. (Volume 27, Number 18). Bethesda, MD.
- National Comprehensive Center for Teacher Quality (2008). *Improving instruction through effective teacher evaluation: Options for states and districts*. Retrieved July 29, 2008 from <http://www.tqsource.org/publications/February2008Brief.pdf>
- South Dakota Administrative Rules Article 24:54. *Teacher Compensation Assistance Program*
- South Dakota Codified Law 13-43-6.1. *Just cause for termination or nonrenewal of teacher*
- South Dakota Codified Law 13-43-6.3. *Nonrenewal of teacher's contract*

Programs

- Dakota Corp Scholarship
- Dakota ASSETS
- BHSU Project SELECT
- South Dakota Teach For America
- South Dakota Incentives Fund Project

Power Point Presentations:

- *A History of South Dakota Teacher Salaries*, Dr. Melody Schopp. May 28, 2008.
- *Managing the Education Enhancement Trust Fund*, South Dakota Investment Council. August 6, 2008.

Data

- Results of Superintendent Survey about TCAP June 2008
- 2007 Average ACT Scores by State
- 2007 Average NAEP Scores in Mathematics and Reading by State
- Results of Annual Institutional Questionnaire on Teacher Preparation for South Dakota Public and Private Universities and Tribal Colleges 2006-2008
- Reasons Reported by South Dakota School Districts for Teachers Leaving 2003-2008
- 2007 Profile of South Dakota Schools from the SD Department of Education

APPENDIX C: Attendance at TCAP Advisory Council Meetings

Council Members	May 28	July 7	July 8	August 5	August 6
Sharon Andrews	ABSENT	x	x	x	x
Sherry Crofut	x	x	x	ABSENT	ABSENT
Lisa McNeely	x	x	x	x	x
Joseph Harrison	x	x	x	x	x
Jeff Lukens	x	ABSENT	ABSENT	ABSENT	ABSENT
Luann Lindskov	x	ABSENT	ABSENT	ABSENT	ABSENT
Dennis Rieckman	x	x	x	x	x
Joe Graves	x	x	x	x	x
Pam Homan	x	x	x	x	x
Lesli Hanson	x	x	x	x	x
Bryce Healy	x	x	x	x	x
Duane Alm	x	x	x	x	x
Dan Guericke	x	x	x	x	x
Tom Hawley	ABSENT	x	x	ABSENT	ABSENT
Senator Ken Albers	ABSENT	x	x	x	x
Senator Sandy Jerstad	x	x	x	x	x
Senator Tom Hansen	ABSENT	x	x	x	x
Representative Phyllis Heineman	x	x	x	x	x
Representative Ed McLaughlin	ABSENT	x	x	x	x
Representative Larry Lucas	x	x	x	ABSENT	ABSENT